

16th April, 1959~~CONFIDENTIAL~~COCOM Document No. 3485COORDINATING COMMITTEE*b.e. Repais*RECORD OF DISCUSSIONONUNITED STATES PROPOSAL TO ADD ITEM 1510 TO THE ITEMS LISTED IN ITEM 1416(e)9th April, 1959

Present: Belgium (Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, United Kingdom, United States.

References: COCOM 549, 1104, 3376, 3379, 3397, 3422, 3442, 3445, 3455, 3458, 3469, Sub-C.(58) 3.

1. The CHAIRMAN invited the German and United Kingdom Delegations to express their Governments' further views on the United States proposal set out in COCOM Document 3455 (paragraph 4).
2. The GERMAN Delegate stated that instructions had been received to maintain the Delegation's position as before. They would only be able to agree to the addition of Item 1510 to the list in Item 1416(e) if all fish- and whale-finding equipment were excluded. The reasons for this decision had already been explained to the Committee and could be summed up as follows: fish-finding equipment contained in ships sold to the Soviet Bloc would be limited in number and the end-use would be certain.
3. The UNITED KINGDOM Delegate stated that his instructions coincided exactly with what had just been said by his German colleague. His Delegation could not agree to the addition of Item 1510 to the four items already listed in Item 1416(e) unless this was done in such a way that all fish- and whale-finding equipment would be specifically excluded.

4. The UNITED STATES Delegate made the following statement:

"The United States has carefully considered the comments made by the other Delegates on the subject of prohibiting the installation of Item 1510 equipment in the course of repairing Soviet Bloc ships. The United States remains unconvinced by the arguments presented and still considers equipment covered by Item 1510 to be of such strategic importance that its supply to the Bloc by any means should be prohibited. The concern of the United States is based upon the capabilities of Item 1510 equipment for use in anti-submarine detection and interception. Most equipment covered by this Item is identical or similar in capability to Asdic equipment used currently or in the very recent past by the navies of the Free World. The possibility of the Bloc using fishing trawlers, coastal vessels, or other normally commercial vessels fitted with 1510 equipment as anti-submarine detection vessels cannot be viewed with equanimity by the United States.

"Nevertheless, in the spirit of compromise, the United States is submitting a new proposal which it is hoped will enable the Committee to reach agreement on this subject. Under this proposal, the United

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States is prepared to treat ship repairs and ship sales in the same manner. It will be noted from the text of our proposal that a phrase has been added which would prohibit the installation of 1510 equipment when its value is more than 50% of the total cost of the repairs and installations to be undertaken. The reason for this addition is obvious, for repairs or installations principally involving 1510 equipment could completely frustrate the embargo over this equipment. It will be noted that provision is made for reporting the installation of 1510 equipment to COCOM. In view of the strategic significance of the Item, it is considered desirable that the Members of the Committee be aware of what installations are actually taking place.

"The United States has gone very far in an effort to clear up these historically difficult and complex problems and trusts that an equal effort will be made by the other Members to reach agreement on the basis of the compromise we have now put forward. It should be added, however, that if it becomes apparent that the supply of such equipment to the Bloc through sales, repairs or alterations is reaching a magnitude that constitutes a security risk to the Free World, the United States will feel free to reopen the question of Item 1510".

5. The United States Delegate then distributed the text set out below, which should be inserted as a Note to Item 1416 if the Committee so decided, and could perhaps be included by reference in the document to be issued on procedures for ship repairs.

"With respect to the construction of ships for the Soviet Bloc, the fitting out of second hand ships for sale to the Soviet Bloc, and repairs and alterations to ships owned or controlled by the Soviet Bloc, Member Countries should take such steps as may be necessary to avoid to the maximum extent possible the installation of equipment covered by the definition of Item 1510, and should not permit such installation if the value of the equipment covered by 1510 is more than 50% of the total cost of the repairs and installations to be undertaken. The installation of such equipment should be reported promptly to COCOM."

6. The UNITED KINGDOM Delegate undertook to refer this text to his Government. He added, however, that he was not very optimistic as to the outcome.

7. The GERMAN Delegate expressed appreciation of this fresh effort on the part of the United States Delegation to reach a solution. In the opinion of the German authorities, even the note proposed by the United States Delegation, while representing a certain progress, would mean that the inclusion of such equipment in vessels should be avoided to the maximum extent. For the reasons explained on previous occasions, this note would, in the opinion of the German authorities, be too restrictive and might lead to differing interpretations in various participating countries. The Delegate undertook to refer the matter to the German authorities, but felt somewhat pessimistic owing to the fact that their last instructions had been extremely firm.

8. The DANISH Delegate recalled that on the 12th March, as set out in paragraph 8 of COCOM Doc. 3458, he had asked whether the United States Delegation would be prepared to accept the same position on ship repairs as they had proposed for the sale of ships. He considered that the new text constituted their response and he urged the German and United Kingdom Delegations to do their utmost to accept. The Committee would never reach a solution if opposing Delegations made no effort to move towards each other. In the Danish Delegate's view the new United States text would mean that the Committee would have the same provisions for repairs as for sales of ships: to his mind, that was the only practical solution.

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9. The ITALIAN Delegate undertook to refer the proposal to his authorities, and believed they would be able to accept it. Referring to the last line of the text shown in paragraph 5 above, the Italian Delegate asked whether reporting to the Committee in the usual monthly returns would meet the point.

10. The UNITED STATES Delegate said that he had no instructions to that effect, but he felt that this would be a reasonable solution and might prove acceptable if agreement ~~was~~ reached on the rest of the text.

11. The CHAIRMAN asked the German and United Kingdom Delegations to endeavour to give their views on the new United States text during the meeting to be held on the 20th April. This was AGREED.

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